# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

UNSTARRED QUESTION NO:1193
ANSWERED ON:27.11.2000
GAS BASED POWER PLANT AT MANGALORE, KARNATAKA
SRIKANTA DATTA NARASIMHARAJA WADIYAR

**Will the Minister of POWER be pleased to state:**

(a) whether the Government have any proposal to set up a LNG FuelPower Plant at Mangalore;(b whether NTPC was entrusted the task to set up the said plant;

(c) if so, the estimated cost along with the installed capacity of the plant; and

(d) the progress made in commissioning the said plant by NTPC so far?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER ( SHRIMATI JAYAWANTI MEHTA )

(a) & (b): The Government of Karnataka has requestedfor feasibility studies by the National Thermal Power Corporation (NTPC) for setting up a 2000 MW gas based power project at Mangalore in Karnataka.The matter has been examined in the Ministry of Power, Government of India. The recent hike in international crude oil price has caused steep increase in the LNG prices as LNG price is indexed to crude oil prices. At the current LNG price, the cost of generation is expected to be over Rs. 4 perunit, which will make tariff unaffordable from such power plants.

NTPC has, therefore, been advisedto discuss the rate of LNG which is likely to be obtained over a period of 20-25 years based on the long term LNG price with the Ministry of Petroleum and Natural Gasand M/s Petronet LNG.Thereafter, NTPC would work out revised tariff and discuss Power Purchase Agreement with the beneficiary states. Depending in the techno-economic feasibility of the project, NTPC will initiate further action.

(c) & (d): Do not arise in view of (a)& (b) above.